



Rule Up For Final Action

Proposed Amendments to

WAC 230-20-059

Minimum cash flow requirements for bingo games--Contributions to stated purpose -- Sanctions.

ITEM 11 (a) on the April 11, 2003, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Staff, at the request of the Commission.

Why is this rule change needed?

RCW 9.46.070(10) requires that the Commission regulate and establish limits on income derived from bingo and determine how much of the funds will be returned to a charity's stated purpose. WAC 230-20-059 sets forth the minimum gambling proceeds bingo licensees must return to their stated purpose. If a licensee fails to meet the minimum requirements, the director issues administrative charges revoking the gambling license. However, there is a provision in this rule to allow the licensee to petition the Commission for a variance from the cash flow requirements. The Commission may approve a variance if the licensee can show that the plan will bring the licensee back into compliance. If denied, the licensee would still have the right to a hearing before an Administrative Law Judge (ALJ) and appeal rights to the Commission. This is the same process used for other administrative cases.

At the November 2002 Commission meeting, the Commission discussed the petition and variance process. At the January 2003, Commission meeting, the Commission asked staff to remove the petition and variance language from WAC 230-20-059 and have the rule Up for Filing at the February Commission meeting. If this rule amendment is adopted, the licensee would still be able to come before the Commission; however, this would occur after an administrative hearing before an ALJ, rather than through the variance process before an ALJ hears the case. In addition, subsection (2)(c) required clarification that the "bingo operation" consisted of drawings at the bingo hall and not raffles conducted by the organization outside the bingo hall. Therefore, this change was made.

Attachments:

- 1) RCW 9.46.070
- 2) Legal Process Flow Chart for Adjusted Cash Flow Cases. Note: If we don't have the variance process, the section with the "X" would be removed. Cases would be heard by an ALJ and the licensee will then have the right to an appeal before the Commission.
- 3) Letter dated January 15, 2003, from Donald Kaufman, Big Brothers and Big Sisters of Spokane County.
- 4) Excerpts from 9/00 – 02/01, Commission meeting minutes (blue paper). Discussion and adoption of Adjusted Cash Flow Rules.
- 5) Excerpts from the November 2002, and January 2003, Commission meeting minutes.

Statements against the proposed rule change.

Don Kaufman, Big Brothers & Big Sisters of Spokane County, has concerns about the amendment – letter attached

At the February Commission meeting, Mr. Kaufman spoke against the proposed amendment.

Steve Strand, Big Brothers and Big Sisters of King County, spoke about the issue, but was neutral to the amendment.

At the March meeting, Steve Strand, Washington Charitable and Civic Gaming Association, testified that his organization is working on a proposal for the April Commission meeting.

Matt Blondin, Executive Director of Sno-King Amateur Hockey Association, has concerns about the current proposal.

Which licensees will be directly impacted?

Bingo operators.

What are the potential impacts to the agency?

Minimal.

Staff recommendation.

Adoption.

Proposed effective date.

June 30, 2003.